



An Umbrella Organization

July 8 1997

Mr. John P. Galligan, Director
Card Technology Division
Financial Management Service
U. S. Department of the Treasury
Room 526, Liberty Center
401 14th Street, SW
Washington, DC 20227

Re: Notice of Proposed Rulemaking
Electronic Benefits Transfer; Selection and Designation of
Financial Institutions as Financial Agents

Dear Mr. Galligan:

This comment letter is submitted on behalf of the National Association of State Credit Union Supervisors (NASCUS), which is the professional association of state supervisory departments/agencies which regulate the nation's 5,000 state chartered credit unions.

The majority of our members are state credit union agencies (38) which are organized as co-equal units of a department which supervises credit unions and other depository institutions, such as banks and savings and loan associations. Five of our member agencies operate as independent, self-governing units which exclusively supervise credit unions and the remaining five are subordinate units of agencies that, in addition to supervising credit unions, also supervise other regulated businesses, such as currency exchanges, cemeteries, money order sellers and pawn brokers.

In addition to state regulators, NASCUS has an affiliated organization, the NASCUS Credit Union Council. The Council is comprised of nearly 600 state chartered credit unions who uniquely interact with the NASCUS regulators.

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NASCUS is pleased to provide comments on the proposed rulemaking on Electronic Benefits Transfer (EBT) for unbanked recipients as noticed in the May 9, 1997 *Federal Register*. Foremost, as you work to devise a solution for benefit recipients who currently do not have financial institution accounts, NASCUS urges you to be mindful of the assistance that can be provided by credit unions which, as providers of low-cost financial services to consumers, are in a position to offer low-cost access to electronic benefits for many of the millions of citizens who currently do not have a financial institution relationship.

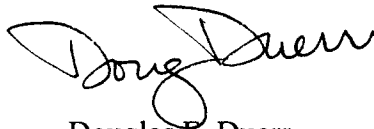
Then, as Treasury works to develop EBT for Federal payments, keep in mind that NASCUS can help. We can (1) provide information with regard to state credit union EBT programs; (2) provide information about state laws which enable credit unions to serve non members; and (3) help you develop programs which may bring the "unbanked" into fields of membership of credit unions in their community.

Lastly, NASCUS urges Treasury to remember that, when defining EBT accounts for the unbanked, Section 266 of Title 12 of the U.S. Code provides that a depository can include the following: "...credit unions created under the laws of any State and the deposits or accounts of which are insured by a State or agency thereof or corporation chartered pursuant to the laws of any State may be depositories of public money and may be employed as fiscal agents of the United States."

With this in mind, it is clear that the nation's 5,000 state chartered credit unions are a resource which Treasury should not overlook in developing the best possible program to fulfill its obligation to provide EBT for unbanked recipients.

We at NASCUS look forward to continuing to work with you on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Duerr", with a stylized flourish at the end.

Douglas F. Duerr
President and CEO